



Department of Workforce Development Agency Overview

DECEMBER 11, 2014

DWD Agency Overview

- The Department of Workforce Development has two related functions:
 - To provide workforce skills training and education services to Hoosier workers and employers; and
 - To administer the Unemployment Insurance (UI) Program
- DWD programs and operations are funded primarily through federal appropriations, including the Workforce Investment Act of 1998 (WIA) is superseded by the Workforce Innovation and Opportunity Act of 2014 and goes into effect July 1, 2015
- DWD's current annual state funding is \$23 million, 62% of which is for Adult Basic Education and 25% is Dropout Prevention.
- UI benefits are funded through UI premiums.

Budget Summary

\$ in Millions

UI Benefits and Trust Fund Interest Payment	Actual FY 2014	Projected FY 2015	Proposed FY 2016	Proposed FY 2017	Change from Prior Biennium
State UI Benefits	\$467	\$444	\$460	\$478	\$16
Federal UI Benefits	135	32	0	0	-32
Interest Payment	29	20	18	0	-2
Total UI Benefits and Interest	631	496	478	478	-18
DWD Programs	Actual FY 2014	Projected FY 2015	Proposed FY 2016	Proposed FY 2017	Change from Prior Biennium
Federal Funds	\$148	\$166	\$167	\$166	\$1
Dedicated Funds	6	9	10	10	1
General Funds	24	23	28	28	5
Total Program	178	198	205	204	7
Grand Total	\$809	\$694	\$683	\$682	-\$11

Federal Funds Carry-In:
TAA \$5M, WP \$1.5M,
Federal ABE \$2M
ARRA Reed Act: \$4.5M
New
Serve Indiana 5M

General Funds
4.5% reduction:
ABE \$13.6 M
ABE Admin \$.4 M
COPE Admin \$64K
WDF .34 M
Adult Voc. Educ
\$.2M
Drop Out Prev
(JAG) \$5.8M
Work IN \$2.4M
Serve Indiana .4M

DWD Programs Overview

Program	FY 2015 Budget
Workforce Training Programs	\$86.1 ← Staff: 303
Unemployment Insurance	\$48.0 ← Staff: 738
Adult Basic Education	\$23.8 ← Staff: 17
All Other	\$40.1 ← Staff: 155
Total	\$197.7 ← Staff: 1,213

UI P&I \$8.0M
 Perkins \$7.3M
 JVSG (Vets) \$3.4 M
 Reed Act \$4.5M
 BLS \$1.2 M
 WDF Admin \$.3 M
 Adult Vocational \$.2 M
 COPE \$.1 M
 Serve Indiana \$5.5M
 Dropout Prevention \$5.8M
 Working Indiana \$2.4M
 Other \$ 1.7M

Workforce Training Programs

- FY 2015 Budget: \$86.1M (Federally Funded) ← **Staff: 303**
- Workforce Investment Act (WIA) ← **\$58.0 M, Staff: 45**
 - Customer focused system assisting with:
 - Needs of businesses (i.e. On-the-job-training);
 - Training, education and employment needs of individuals.
- Wagner-Peyser ← **\$14.5 M, Staff: 224**
 - Services provided to job seekers and employers;
 - Employment and reemployment services;
 - Career guidance and skills assessments;
 - Assistance with recruitment needs.
- Trade Adjustment Assistance ← **\$13.5 M, Staff: 37**
 - Training services for individuals unemployed as a result of foreign competition.

Unemployment Insurance Administration

- FY 2015 Budget: \$48.0M (Federally Funded) ←
- The Unemployment Insurance program provides:
 - Support for the administration of the unemployment insurance benefits program including:
 - Claims adjudication
 - Appeals (claimant and employer)
 - Customer service to employers and claimants
 - Fraud investigation

\$48.0M - UI

Staff: 738

**Staff: 134
Field: 190**

Staff: 56

Staff: 48

Staff: 54

Other UI Staff:

IT – 27

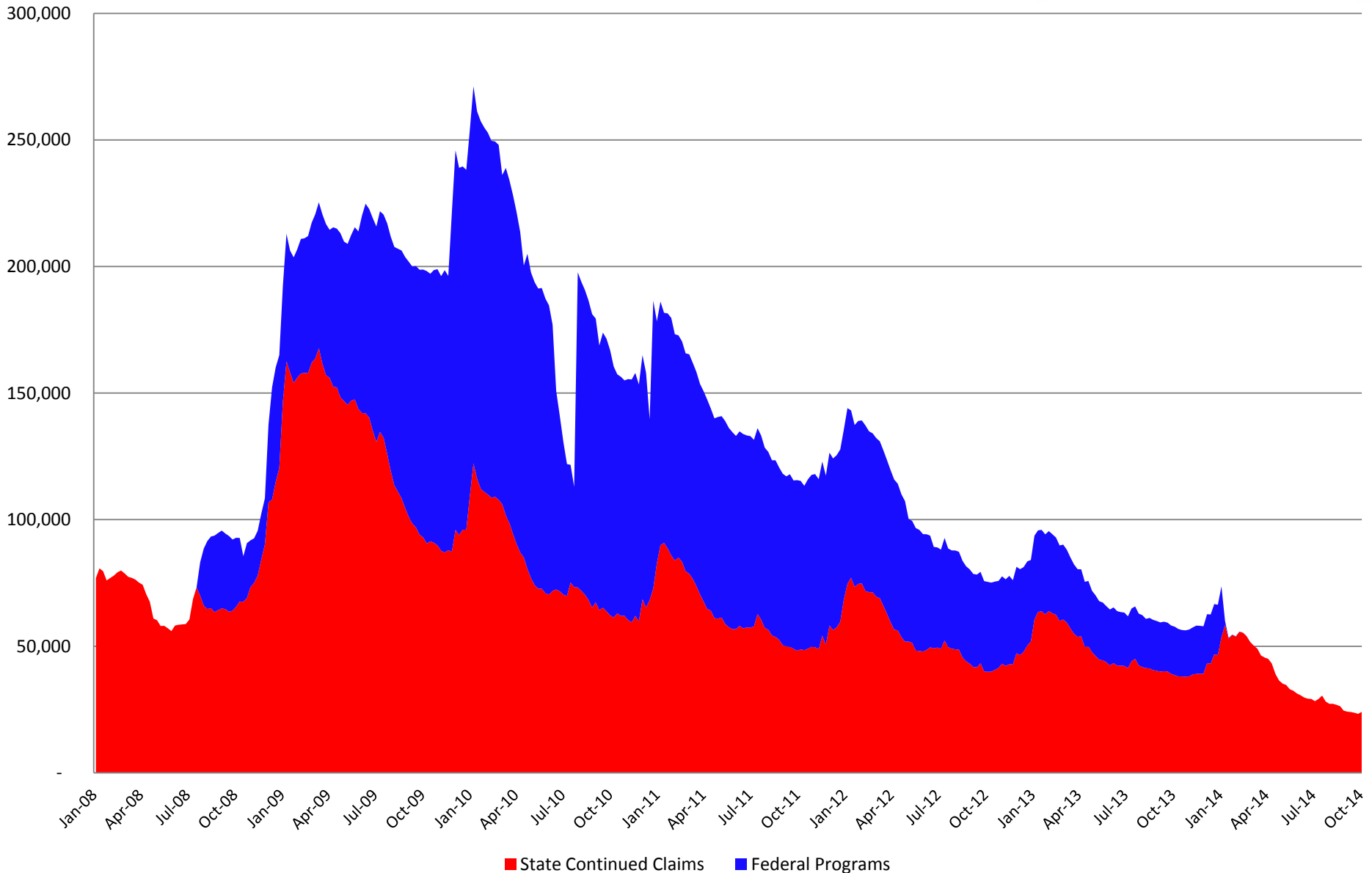
Trust Fund / UI Cashiering – 15

Tax – 62

REA – 56

Other (wage records, etc.) - 96

Unemployment Claims Paid



UI Trust Fund Actual and Projected Balances

October 2014 Projections - Current Law (in Millions)

Calendar Year	Merit Premiums	Benefits	Surplus/ (Deficit)	Fund Balance	FUTA Penalty		Adj Fund Balance
2008	\$590.0	\$978.8	(\$388.8)	(\$144.6)	\$0.0		(\$144.6)
2009	\$521.3	\$1,865.3	(\$1,344.0)	(\$1,488.6)	\$0.0		(\$1,488.6)
2010	\$557.9	\$1,024.8	(\$466.9)	(\$1,955.4)	\$0.0		(\$1,955.4)
2011	\$717.9	\$785.3	(\$67.3)	(\$2,004.8)	\$55.0	0.3%	(\$1,949.8)
2012	\$734.8	\$647.2	\$87.6	(\$1,867.4)	\$104.0	0.6%	(\$1,763.4)
2013	\$719.9	\$500.8	\$219.1	(\$1,542.8)	\$162.0	0.9%	(\$1,380.8)
2014	\$704.4	\$425.0	\$279.4	(\$1,103.6)	\$219.9	1.2%	(\$883.7)
2015	\$683.3	\$442.0	\$241.3	(\$642.4)	\$273.4	1.5%	(\$369.0)
*2016	\$662.8	\$459.6	\$203.1	(\$165.9)	\$327.2	1.8%	\$161.3
2017	\$642.9	\$478.0	\$164.9	\$326.2	\$0.0		\$326.2
2018	\$646.1	\$485.2	\$160.9	\$487.1	\$0.0		\$487.1

* Projected to be Paid in May 2016. If not paid off by November 9th 2016 the FUTA penalty will increase to 2.1% and the projected Penalty for employers will be assessed.

The Challenge

- Indiana performs poorly as a state in key metrics that reflect overall state skill levels
 - 39% of US businesses cited difficulties finding qualified talent in a 2013 Manpower survey
 - Ranked 39th in per capita income (down from 30th in 1980) and non-manufacturing related sectors are not experiencing as much growth
 - 500,000 workers with NO High School diploma (31st in nation)
 - 68% of workers with NO college degree (bottom 10 in nation)
 - 34% of High School grads don't attend college
 - Almost 30% of our public college students need remediation
 - About 30% of our public college students complete a 4 yr degree on time

The Solution

- Directly link state resources for education and training to private employers' current and future needs to produce a globally-directed, demand-driven, sustainable workforce.

Priorities of DWD

Demand Driven Workforce System

- Demand Process – Talent Pipeline Management
 - Develop and deploy a statewide framework to collect current and future hiring needs of all Indiana companies.
 - Develop common job classifications and identify associated skills with each classification.
 - Align all employment and training activities with the skills needed to fill current or near term hiring needs.
 - Facilitate the successful match of potential employer and qualified employees.
 - Build an understanding of future hiring needs of Indiana employers driving alignment of our educational systems (K-12 and post-secondary) with the current and future economy.

Priorities of DWD

Demand Driven Workforce System – Continued

- **Case Management System:**
 - DWD will procure a system that drives a common point of entry, common processes, and common performance measures for all employment and training focused clients across multiple state programs (DWD, FSSA, DOE)
 - The new system will consistently and seamlessly collect required information from an individual's entry all the way through their career pathway.
 - In concert with the Workforce Innovation & Opportunity Act (WIOA) that goes into effect on July 1, 2015, the system will provide a common set of metrics across multiple state and federal programs.
 - The system will facilitate an understanding of the client's interests and skills and align those with current employer needs to facilitate career placement.